

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2021-____-E

IN RE:

Application of Duke Energy Progress,
LLC for Approval of the Transfer and
Sale of Property in Asheville, North
Carolina

APPLICATION FOR
APPROVAL OF TRANSFER
AND SALE OF PROPERTY

Duke Energy Progress, LLC (“DEP” or the “Company”), hereby applies to the Public Service Commission of South Carolina (the “Commission”) for approval of the transfer and sale of certain real estate, known as the Hilliard Road, Asheville, North Carolina property (the “Property”) that is currently included in the rate base of DEP. The Property is located in the DEP service territory in North Carolina. The Company is not seeking approval of cost recovery in this Application; it is instead seeking Commission authorization to transfer the Property consistent with S.C. Code Ann. § 58-27-1300.¹ This Application is made pursuant to S.C. Code Ann. § 58-27-1300, 10 S.C. Regs. 103-830, and other applicable rules and regulations of the Commission. In support of this Application, DEP would show the following:

1. The name and address of the Applicant is

Duke Energy Progress, LLC
410 South Wilmington Street
Raleigh, North Carolina 27601-1849

¹ See, e.g., Order No. 2021-500, Docket No. 2021-213-E (July 26, 2021); Order No. 2021-377, Docket No. 2017-280-E (June 2, 2021); Order No. 2019-47, Docket No. 2018-374-E (Jan. 10, 2019); Order No. 2018-761, Docket No. 2018-333-E (Dec. 4, 2018).

2. The name and address of the Applicant's attorneys are:

Samuel J. Wellborn, Associate General Counsel
Katie M. Brown, Counsel
Duke Energy Corporation
40 West Broad St., Suite 690
Greenville, South Carolina 29601
Telephone: (864) 370-5296
sam.wellborn@duke-energy.com
katie.brown2@duke-energy.com

3. Copies of all pleadings, orders or correspondence in this proceeding should be served upon the attorneys listed above.

4. DEP is a public utility engaged in the generation, transmission, distribution, and sale of electric energy in South Carolina and is subject to the jurisdiction of this Commission.

5. The Property consists of certain real estate that is not required for DEP's current utility operations. The Property is a parcel of land containing 1.79 acres with a vacant commercial/industrial building. The Property is more fully shown as Parcels A, B and C on the boundary survey attached hereto as Exhibit A.

6. The Property is being sold to Fall Line Development Inc., a North Carolina corporation. Fall Line Development is not affiliated with DEP in any way and this transaction will not affect DEP's ability to provide reliable service to its customers at just and reasonable rates.

7. The Property is located at 226 Hilliard Avenue, Asheville, in Buncombe County, North Carolina. The Property was acquired by the Company on December 17, 2014, and it has been determined that the Property is surplus.

8. DEP has entered a contract with Fall Line Development, Inc. to sell the Property for \$3,600,000. An appraisal of the Property completed on October 26, 2021 valued the Property at \$3,370,000. A copy of the Appraisal is attached as Exhibit B. The Property has a current net

book value of \$2,967,519. The Property is zoned as a Central Business District, by the city of Asheville.

9. The original cost of the Property being sold will be credited as a reduction of the amount carried upon the books of DEP under Account 101, "Electric Plant in Service." The difference between the sales price and the original cost of the non-depreciable Property will be applied to Account 421.10, "Gain on Disposition of Property."

10. The South Carolina Office of Regulatory Staff has been served with a copy of this Application and exhibits. S.C. Code Ann. § 58-27-1300 provides that an electric utility must first obtain Commission approval prior to selling or otherwise transferring utility property with a fair market value greater than \$1 million. Therefore, DEP applies to the Commission for permission to sell the Property.

11. Applicant requests that this Commission: (i) approve this matter on or before January 5, 2022; (ii) issue an appropriate order approving the relief sought in the Company's Application; and (iii) grant such other and further relief as this Commission may deem just and proper.

WHEREFORE, Applicant prays that, pursuant to S.C. Code Ann. § 58-27-1300 and other applicable rules and regulations, the Commission enter an order approving the transfer and sale of the Property.

Dated this 24th day of November 2021.

A handwritten signature in blue ink that reads "Katie M. Brown".

Samuel J. Wellborn, Associate General Counsel
Katie Brown, Counsel
Duke Energy Corporation
40 West Broad St., Suite 690
Greenville, South Carolina 29601
Telephone: (864) 370-5246
sam.wellborn@duke-energy.com
katie.brown2@duke-energy.com

Attorneys for Duke Energy Progress, LLC

NOTES:

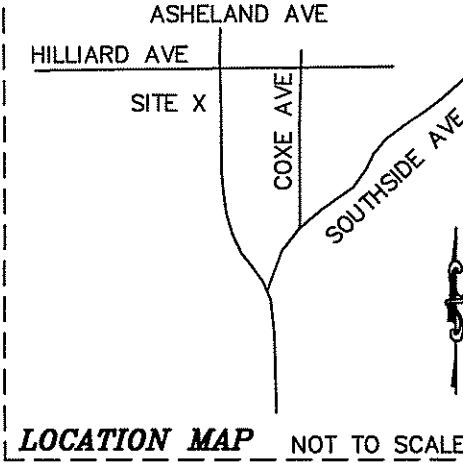
- SURVEYED & MAPPED FOR: DUKE ENERGY CAROLINAS, LLC
- ALL BEARING ARE NC GRID BEARINGS.
- ALL DISTANCES ARE GROUND DISTANCES.
- NC GRID POSITIONS ARE ONLY ON POINTS AS SHOWN.
- AREA BY COORDINATE COMPUTATION.
- PROPERTY SUBJECT TO ANY VALID & ENFORCEABLE EASEMENTS, RESTRICTIONS & RIGHTS OF WAY OF RECORD.
- SURVEY IS BASED ON PHYSICAL EVIDENCE AND EXISTING MONUMENTATION FOUND DURING THE SURVEY.
- PROPERTY CORNER PIPE SIZES AS SHOWN ARE NOMINAL INSIDE DIAMETER.
- PROPERTY IS ZONED "CBD", REFER TO CITY OF ASHEVILLE, NC CODE OF ORDINANCES, SECTION 7-8-18.
- PROPERTY LINES ADJOINING BILTMORE AVENUE & FREDERICK STREET RUN ALONG MARGIN OF SAID ROADS.
- PROPERTY IS NOT WITHIN ANY FLOOD ZONE AS DELINEATED ON THE FLOOD HAZARD BOUNDARY MAPS PREPARED BY THE U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT.
- STATE PLANE COORDINATES AS SHOWN ARE BASED ON NCGS MONUMENTS ASHELAND AND ENDOSCOPY. THE PROJECT COMBINED FACTOR = 0.99979426 PROJECT COORDINATES ARE LOCALIZED ON NCGS MONUMENT "ASHELAND" AND HAVE A STATE PLANE VALUE OF N:687,399.75' E:942860.71' ELEV: 2091.89'. VERTICAL DATUM BASED ON NAVD 88.

I, JAMES WATKINS, CERTIFY:

a. G.S. 47-30 (F) (11) (C) (1). THIS SURVEY IS OF AN EXISTING PARCEL OR PARCELS OF LAND AND DOES NOT CREATE A NEW STREET OR CHANGE AN EXISTING STREET.

SIGNATURE *James Watkins*

TOTAL AREA TO BE RECOMBINED=1.791 ACRES (LU: 1669637)
INCLUDING 1.525 ACRES SHOWN AS PARCEL A, PIN# 9648285932, 9648286942, 9648287804
&
0.155 ACRE SHOWN AS PARCEL B, PIN# 9648287709
&
0.083 ACRE SHOWN AS PARCEL C, PIN#9648285802
&
0.028 ACRE SHOWN AS PARCEL D, PIN#9648285708



LINE	BEARING	DISTANCE
L1	N 05°42'43" E	44.04'
L2	N 72°20'46" W	30.77'
L3	S 05°45'12" W	74.18'
L4	N 80°09'09" E	61.70'
L5	N 05°41'44" E	3.02'
L6	N 74°16'23" E	15.64'

APPROVED BY THE PLANNING DIRECTOR OF THE CITY OF ASHEVILLE, NC ON THE DAY OF , 2014, PROVIDED THAT THE PLAT IS RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS OF BUNCOMBE COUNTY, NC WITHIN 30 DAYS FROM THIS APPROVAL.

DATE PLANNING DIRECTOR

NORTH CAROLINA, BUNCOMBE COUNTY
THE FOREGOING CERTIFICATE OF JAMES WATKINS, PLS
IS CERTIFIED TO BE CORRECT. THIS INSTRUMENT WAS PRESENTED
AND RECORDED IN THIS OFFICE ON PLAT CAB. SLIDE
THIS DAY OF 20 AT O'CLOCK M

BUNCOMBE COUNTY REGISTER OF DEEDS

Registered this the 16th day of December
2014 at 12:19 P.M. Recorded in
Plat Book 179 Page 125
Drew Reisinger Register of Deeds
Allison F. Blawie Deputy

HILLIARD AVE. LLC
DB 4597, PG 632
PIN# 9648283935
PIN# 9648283815
PIN# 9648284728

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE
I, REVIEW OFFICER OF BUNCOMBE
COUNTY, CERTIFY THAT THE MAP OR PLAT TO WHICH THIS CERTIFICATION
IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.

REVIEW OFFICER
DATE

PARCEL D
0.028 ACRE
HOMETRUST BANK
DB 5200, PG 632
PIN# 9648285708

PARCEL C
0.083 ACRE
HOMETRUST BANK
DB 5200, PG 632
PIN# 9648285802

PARCEL B
0.155 ACRE
HOMETRUST BANK
DB 5200, PG 632
PIN# 9648287709

PARCEL A
1.525 ACRES
HOMETRUST BANK
DB 5200, PG 632
PIN# 9648285932
PIN# 9648286942
PIN# 9648287804

OGBURN, DAVID
DB 4899, PG 1705
PIN# 9648284723

ANDERSON, ALBERT B.
DB 1992, PG 271
PIN# 9648286793

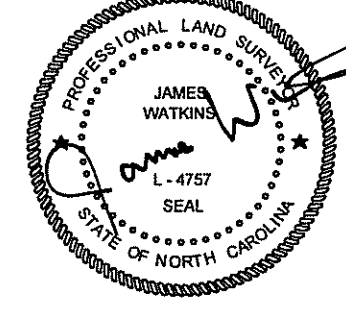
NCGS MONUMENT
"ASHELAND"
N 687,399.75'
E 942,860.71'
ELEV 2,091.89'
NC GRID POSITION

NCGS MONUMENT
"ENDOSCOPY"
N 687,898.83'
E 944,165.44'
ELEV 2,078.48'
NC GRID POSITION

- LEGEND
- LINES SURVEYED
 - LINES NOT SURVEYED
 - - - TIE LINES
 - - - R/W LIMITS
 - - - OVHD DISTRIBUTION LINE (OVERHEAD)
 - ⊙ 3/4" PIPE (F) FH FIRE HYDRANT
 - △ #5 REBAR(S) ◆ MAG SPIKE(F)
 - ▲ #4 REBAR(F) ◆ #5 REBAR(F)
 - NCGS MONUMENT
 - R.O.P. RATIO OF PRECISION
 - ⊙ RETAIL POWER POLE
 - ⊙ LIGHT POLE
 - (NTS)--- NOT TO SCALE
 - oPt POINT NOT SET
 - CLF--- CHAIN LINK FENCE
 - DB DEED BOOK PG PAGE
 - PB PLAT BOOK PG PAGE
 - R/W RIGHT OF WAY
 - C/L CENTERLINE (T) TOTAL
 - P/L PROPERTY LINE STA. STATION

ALLIANCE
LAND SURVEYING, P.C.
703 W. Main St.
Sylva, NC 28779
Telephone: (828) 586-5256
James M. Watkins, PLS L-4757
Corporate# C-3302

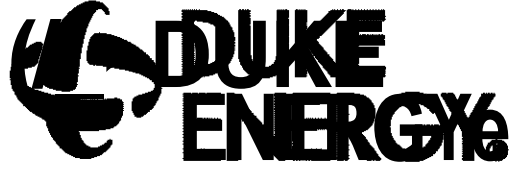
Doc ID: 027759560001 Type: CRP
Recorded: 12/16/2014 at 12:19:24 PM
Fee Amt: \$21.00 Page 1 of 1
Workflow# 0000249286-0001
Buncombe County, NC
Drew Reisinger Register of Deeds
BK 179 PG 125



I, JAMES WATKINS CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION (DEED DESCRIPTIONS LOCATED IN REFERENCES ABOVE TITLE BLOCK); THAT THE BOUNDARIES NOT SURVEYED ARE CLEARLY INDICATED; THAT THE RATIO OF PRECISION AS CALCULATED IS 1:10,000+; THAT THIS PLAT WAS PREPARED IN ACCORDANCE WITH G.S. 47-30 AS AMENDED. WITNESS MY ORIGINAL SIGNATURE, REGISTRATION NUMBER AND SEAL THIS 12 DAY OF DECEMBER AD 2014

SITE:114377
FOR SOURCE OF TITLE REFER TO DB 5200, PG 632

DUKE ENERGY CAROLINAS, LLC HILLIARD AVE 115 KV SUBSTATION	
EXEMPT RECOMBINATION SURVEY OF PROPERTY OWNED BY: HOMETRUST BANK	
CITY OF ASHEVILLE BUNCOMBE COUNTY, N.C.	
BOOK: N/A DATE: 12/12/14 SCALE: 1"=30'	15 0 15 30 45 SCALE IN FEET CREW: J.W.DI, J.W.AG DRAWN BY: AG R.O.P.= 1':10,000'+
LAND UNIT: 1669637	MAP: 114377-445604



400 S. TRYON STREET
PO BOX 1007
CHARLOTTE N.C. 28201-1007
TELEPHONE NO. (704) 382-6658

GRID NORTH
NAD 83(2001)

226 Hilliard Avenue
Asheville, NC

RESTRICTED REPORT





November 3, 2021

Patricia A. Sutton
Duke Energy Progress, Inc
ST30C
Charlotte NC 28201

RE: Appraisal of commercial building located at 226 Hilliard Avenue, Buncombe County, Asheville, NC 28801

NxNW File #: 19-3124

Ms. Sutton:

As requested, an appraisal of the property referenced above has been prepared and reported in a restricted format. The market value of the fee simple estate was estimated as of October 26, 2021.

This appraisal includes an opinion of value of 1.79 acres of land with a 41,000 SF commercial building (based on client-provided data). The subject property is located at 226 Hilliard Avenue, Buncombe County, Asheville, NC 28801.

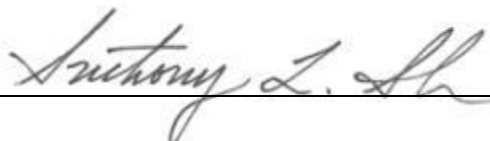
The property was last inspected on November 19, 2019. I am making the extraordinary assumption the condition is similar as of the current effective date, October 26, 2021. If this assumption proves false, it may have an impact on the value conclusion reached in this report.

This appraisal has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation. Additionally, this appraisal has been prepared in accordance with the Standards of Professional Practice and Code of Ethics of the Appraisal Institute.

The value opinion is supported by the data in the appraiser's work file. By ordering this restricted appraisal report, the client realizes and understands that this report has a lower degree of description than an appraisal report. As the level of detail decreases, the need for additional documentation is necessary to understand the appraisal. The reader is referred to the Certification and Assumptions and Limiting Conditions included in the attached report.

Thank you for the opportunity to be of service, and if we can be of further assistance, please call at 828-358-1171.

Sincerely,



Anthony L. Alderman, MRICS, SR/WA
NC State Certified General Real Estate Appraiser
Certificate Number A7611



Appraisal Notes

Appraisal Report Type:

Restricted Appraisal Report

Use Restriction Statement:

By ordering this Restricted Appraisal Report, the client realizes and understands that this report has a lower degree of description than a complete appraisal report. As the level of detail decreases, the need for additional documentation is necessary to understand the appraisal.

Through engagement, acceptance of this assignment, delivery, and/or use of this Restricted Appraisal Report, the appraiser and the client both understand:

- Reliance on this report is limited to the client;
- This report cannot be understood properly without additional information in the appraiser's work file;
- This report is for the sole intended use of the client;
- This report will not be distributed by the client to any third party;
- The usefulness of this report is limited.

Appraisal Report Compliance:

Further, this report is intended to comply with the reporting requirements set forth by Standards Rule 2-2 (c).

Property Identification

Parcel ID#:

964828686900000

Address:

226 Hilliard Rd, Asheville, NC 28801

Legal Description:

Deed Book 5270, Page 263 in the Buncombe County Register of Deeds

(Refer to the Addenda for a copy of this deed.)

Property Type:

Industrial building

Current Use:

Vacant industrial building

Type of Value

Value Type: Market value¹

Market value¹, as used in this report, is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- 3) A reasonable time is allowed for exposure in the open market;
- 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

Property Rights Appraised: Fee Simple

Any Leases In Place: No

Intended Use

Intended Use: Information purposes

Client: Patricia A. Sutton with Duke Energy

Intended Users: Patricia A. Sutton with Duke Energy

Appraisal Valuation Dates

Date of Inspection: November 19, 2019

'As Is' Date of Valuation: October 26, 2021

Date of Appraisal Report: November 3, 2021

¹ Source: *Federal Register*, vol. 75, no. 237, December 10, 2010, page 77472.

Scope of Work

Market Area Researched:	Asheville, Buncombe County and surrounding region																		
Inspection Scope:	An inspection of the subject property was made as well as an inspection of the subject's immediate neighborhood.																		
Unusual Market Externalities:	None																		
Data Sources:	CoStar, Carolina MLS, public records, brokers																		
Data Time Frame:	Three years																		
Valuation Approaches:	<table> <tr> <th></th><th>Applicable:</th><th>Completed:</th><th>Necessary for Credible Results:</th></tr> <tr> <td>Cost Approach:</td><td>No</td><td>No</td><td>No</td></tr> <tr> <td>Income Capitalization Approach:</td><td>No</td><td>No</td><td>No</td></tr> <tr> <td>Sales Comparison:</td><td>Yes</td><td>Yes</td><td>Yes</td></tr> </table>				Applicable:	Completed:	Necessary for Credible Results:	Cost Approach:	No	No	No	Income Capitalization Approach:	No	No	No	Sales Comparison:	Yes	Yes	Yes
	Applicable:	Completed:	Necessary for Credible Results:																
Cost Approach:	No	No	No																
Income Capitalization Approach:	No	No	No																
Sales Comparison:	Yes	Yes	Yes																
Scope of Sales Comparables Researched:	Buncombe County and surrounding region																		
Marketing Period:	12 to 18 Months																		
Exposure Time:	12 to 18 Months																		
Extraordinary Assumptions:	Yes. The property was last inspected on November 19, 2019. I am making the extraordinary assumption the condition is similar as of the current effective date, October 26, 2021. If this assumption proves false, it may have an impact on the value conclusion reached in this report.																		
Hypothetical Conditions:	None																		

Site & Improvements Analysis

Parcel ID#	964828686900000
Address:	226 Hilliard Rd, Asheville, NC 28801
Site Size:	1.79 Acres
Road Frontage:	Approximately 161 feet of frontage on S Grove Street Approximately 200 feet of frontage on Hilliard Avenue Approximately 90 feet of frontage on Asheland Avenue
Topography:	Gently sloping, cleared
Utilities:	Public water, sewer, natural gas, electricity, and telephone are available at the subject's location.
Flood Zone / Panel / Date:	Zone X / 370219648J/ January 6, 2010
Easements / Encroachments:	Deed Book 5270, Page 263, typical utility easements are assumed to exist, in the Buncombe County Register of Deeds
Site Improvements:	Site improvements include asphalt paved, uncovered, surface parking for 65 vehicles including service trucks and trailers. There is minimal landscaping and a large sign on the Hilliard Avenue elevation.
Improvements:	The subject is improved with a 41,000 SF industrial building. The improvement consists of a three-story industrial building that is vacant but had previously been utilized as an industrial manufacturing and electrical contractor's office. The structure was originally built in 1927, expanded in 1940 and again in 1963. There is approximately 21,000 sq ft of office space, which is masonry and steel construction.

Zoning

Jurisdiction:	City of Asheville
Zoning District:	<i>CBD: Central Business District</i>

Real Estate Tax

Municipality:	Buncombe County
Estimated 2019 Tax Liability:	\$0
Remarks:	The subject is owned by a utility company and has not been taxed since 2014. The above is an estimate of the 2019 taxes.

Ownership History

Duke Progress Energy, Inc
ST30C
Charlotte NC 28201

Grantor:	HomeTrust Bank, N.A., formerly HomeTrust Bank
Grantee:	Duke Energy Progress, Inc
Date Acquired:	December 17, 2014
Deed Reference:	Deed Book 5270, Page 263 recorded in the Buncombe County Register of Deeds
Consideration:	\$2,950,000
Conditions of Sale:	Arm's Length Transaction
Purchase Pending:	No
Lease in Place:	No
Transfers (Past 3 Years):	None
Currently Listed for Sale?	No

Highest and Best Use Analysis

<i>As Vacant:</i>	Mixed-use development
<i>As Improved:</i>	Demolition of existing improvements to make site ready for redevelopment

Appraisal Procedure

<i>Approaches employed:</i>	Sales Comparison Approach
<i>Approaches not employed:</i>	The cost and income approaches were not deemed necessary as the valuation is limited to the site.
<i>Description:</i>	The sales comparison approach was completed in order to estimate the value of the land. The sales comparison approach represents the results of comparative shopping whereby purchasers establish value through comparison of alternative properties. Several land sales were available to reasonably estimate the subject's value.

Sales Comparison Approach

The sales comparison approach is a method of valuation, which employs sales of comparable properties as a basis for the value of the subject. When comparable sales are available, those that are most similar to the subject are compared and adjusted to the subject for various dissimilarities. This method is favorable when sufficient quantities of comparable sales exist. This approach is based on the axiom that an informed purchaser would pay no more for a property than the cost of acquiring a substitute property with equal utility. Value tends to be set by the cost of acquiring an equally desirable substitute property.

The Appraisal Institute defines sales comparison approach as:

"The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative comparisons to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison."²

The following is a list of steps that are generally followed in this approach:

1. The market is researched for sales that may serve as possible substitutes for the subject.
2. Information about each comparable is verified, with particular emphasis on those physical and non-physical characteristics that typically create a value difference.
3. The sales are analyzed based on appropriate units of comparison, i.e. price per square foot, price per room, etc.
4. Adjustments are made to each sale for various dissimilarities the sales may have relative to the subject.
5. After appropriate adjustments are made, a final value estimate is derived from the adjusted values from the comparables.

Adjustments are considered for each comparable for any significant dissimilarity that they may have with the subject site. Adjustments are used to account for differences between comparables and the subject. It is on the basis of the adjusted sale prices of the comparables that a value conclusion is drawn. Although each adjustment is not absolute, the primary objective of the adjustments is to demonstrate the appraiser's thought process for the reader. The unit of comparison selected for this analysis, as the most applicable, is the price per acre.

A survey was performed to locate recent land sales similar with the subject for size, location, topography, and overall appeal. We researched ten area land sales. Four recent land sales were considered most similar to the subject and were included in the analysis.

² The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Page 175.

RESTRICTED REPORT

LAND SALES COMPARISON AND ADJUSTMENT TABLE					
DESCRIPTION	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Location	226 Hilliard Ave Asheville, NC	172 Asheland Ave Asheville, NC	Biltmore at Hilliard Asheville, NC	68 Carter St Asheville, NC	75 Coxe Ave Asheville, NC
Property Identification					
Deed Book/Pg	N/A	5761/1394	5796/828	6086/433	5783/226
Owner	Duke Power	Asheland Properties, LLC	Hatteras Biltmore Partners, LLC	Milan CN Holdings, LLC	75 Coxe Properties, LLC
PIN		9648380052	9648486823	9649109302	9648390374, 9648392353
Site Data					
Size (Net acres)	1.760	2.45	0.54	1.23	1.16
Size (Sq.Ft.)	76,666	106,722	23,522	53,579	50,530
Sale Data					
Sales Price		\$4,420,000	\$1,350,000	\$2,900,000	\$2,500,000
Date of Sale	N/A	17-Apr-19	1-Aug-19	28-Jun-21	25-Jun-19
Price/Acre	N/A	\$1,804,082	\$2,500,000	\$2,357,724	\$2,155,172
Price/Sq.Ft	N/A	\$41.42	\$57.39	\$54.13	\$49.48
Market Adjustments					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
adjustment	-----	0%	0%	0%	0%
Adjusted Price/SF	-----	\$41.42	\$57.39	\$54.13	\$49.48
Financing	-----	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
adjustment	-----	0%	0%	0%	0%
Adjusted Price/SF	-----	\$41.42	\$57.39	\$54.13	\$49.48
Conditions of Sale	-----	Market	Market	Market	Below Market
adjustment	-----	0%	0%	0%	15%
Adjusted Price/SF	-----	\$41.42	\$57.39	\$54.13	\$56.90
Market conditions	Growth	Similar	Similar	Similar	Similar
adjustment	-----	12.67%	11.22%	1.67%	11.73%
Adjusted Price/SF	-----	\$46.66	\$63.83	\$55.03	\$63.57
Net Adjustment	-----	12.67%	11.22%	1.67%	28.48%
Physical Adjustments					
Location	Average	Superior	Superior	Superior	Superior
adjustment	N/A	-15%	-15%	-15%	-20%
Size (SF)	76,666	106,722	23,522	53,579	50,530
adjustment	N/A	10%	-15%	-5%	-5%
Access/Visibility	Average	Inferior	Similar	Inferior	Inferior
adjustment	N/A	10%	0%	10%	10%
Topography/Site	Mostly Level	Similar	Inferior	Similar	Similar
adjustment	N/A	0%	5%	0%	0%
Net Adjustment	-----	5%	-25%	-10%	-15%
Adjusted Price/Acre	-----	\$49.00	\$47.87	\$49.53	\$54.03
Statistical summary:					
Gross Adjustment	N/A	47.67%	46.22%	31.67%	63.48%
Average (SF)	\$50.11				
Median (SF)	\$49.26				
Lowest value (SF)	\$47.87				
Highest value (SF)	\$54.03				

Summary – Sales Comparison Approach

<i>Unadjusted Range:</i>	\$41.42 - \$57.39 per SF
<i>Range Adjusted:</i>	\$47.53 - \$54.03 per SF
<i>Comparable Most Like Subject:</i>	All of the comparables share similarities with the subject thus weight is given to the rounded average.
<i>Concluded Value per SF:</i>	\$50.00
<i>Concluded Land Value:</i>	\$3,830,000 (rounded)
<i>Less Demolition:</i>	\$460,000
<i>'As Is' Land Value</i>	\$3,370,000

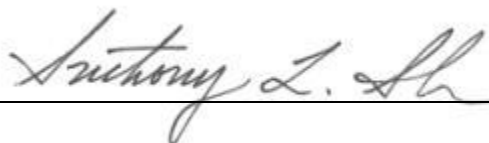
FINAL VALUE CONCLUSION

<i>Extraordinary Assumptions:</i>	Yes. The property was last inspected on November 19, 2019. I am making the extraordinary assumption the condition is similar as of the current effective date, October 26, 2021. If this assumption proves false, it may have an impact on the value conclusion reached in this report.
<i>Approaches employed:</i>	Sales Comparison Approach
<i>Concluded Value of Subject:</i>	\$3,370,000
<i>Date of Value:</i>	October 26, 2021

In the Addenda, the appraisers have included the Appraisers' Certification, Assumptions and Limiting Conditions, Appraisers' Qualifications, and other exhibits.

If you have any questions or comments regarding this analysis, please contact us at 828-358-1171.

Sincerely,



Anthony L. Alderman, MRICS, SR/WA
NC State Certified General Real Estate Appraiser
Certificate Number A7611



ADDENDA

GIS Aerial Map



RiskMeter Flood Map



RiskMeter

226 HILLIARD AVE ASHEVILLE, NC 28801

LOCATION ACCURACY: Excellent

Flood Zone Determination Report

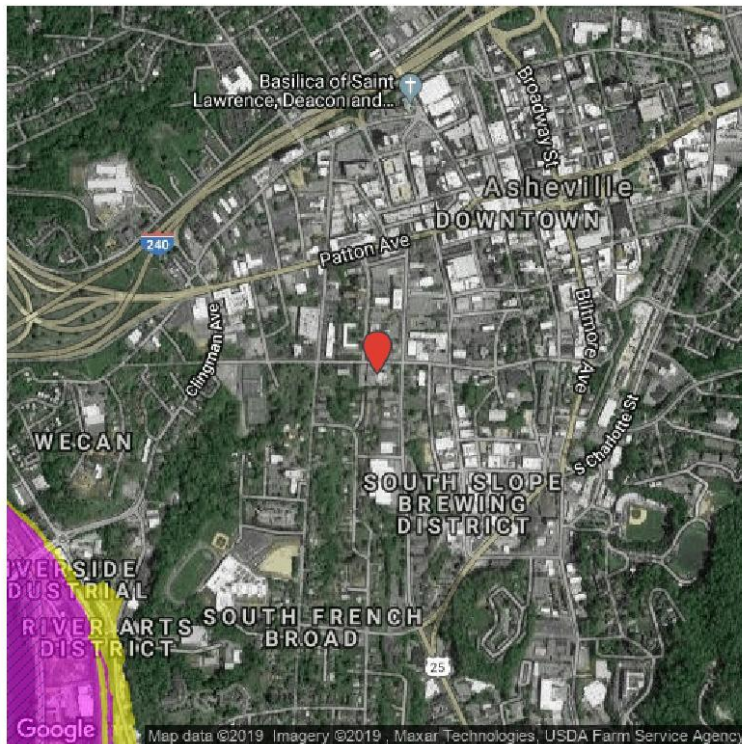
Flood Zone Determination: **OUT**

PANEL DATE

January 06, 2010

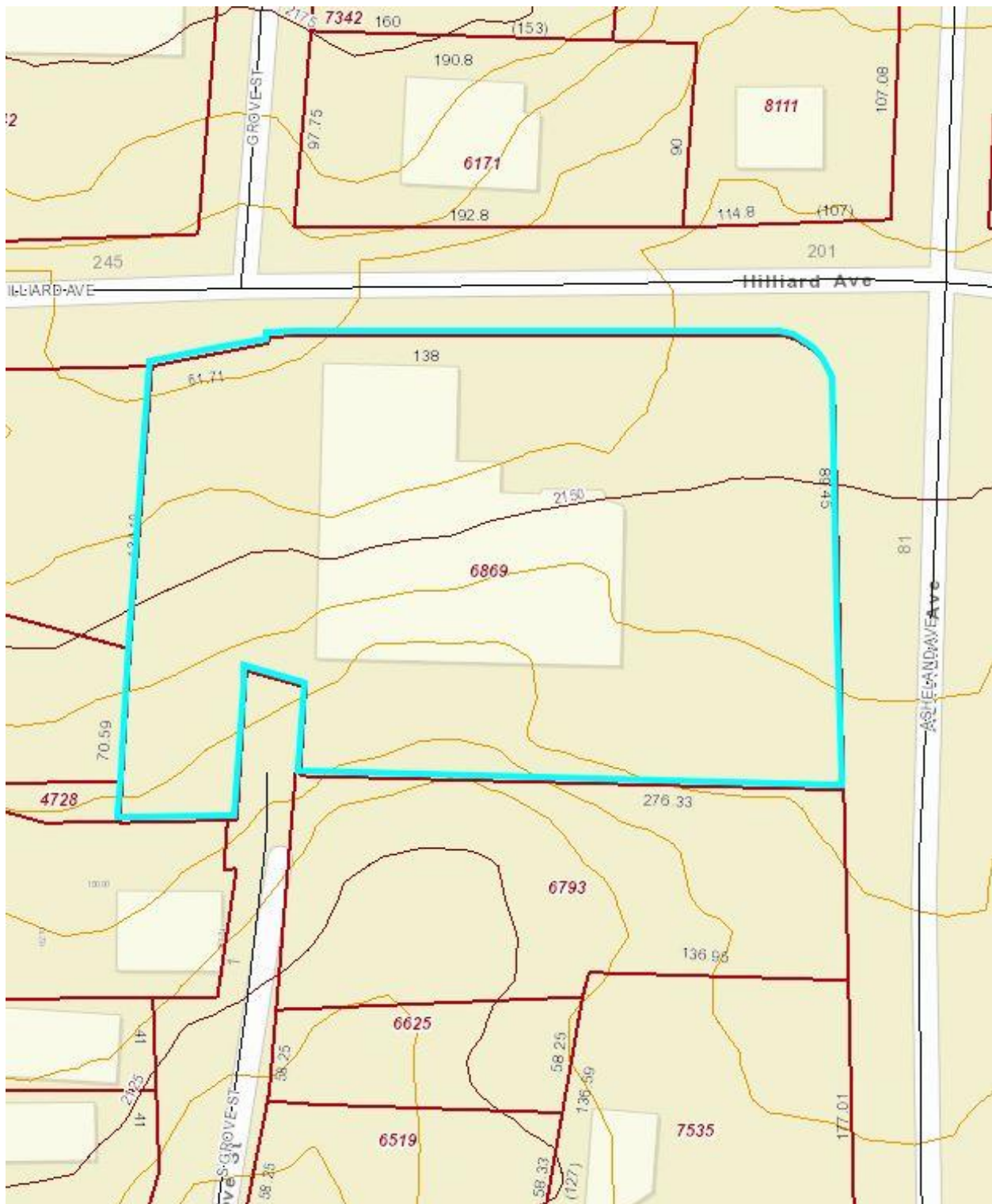
MAP NUMBER

370219648J



- X500 or B Zone
- A Zone
- V Zone
- D Zone
- Floodway
- CBRA

GIS Contour Map



Photographs



SITE VIEW



SITE VIEW

SUBJECT PHOTOGRAPHS



SITE VIEW



STREET VIEW

Deed

Page 1 of 3

3

not filed for recording - 12/17/2014



Doc ID: 027773240003 Type: CRP
 Recorded: 12/17/2014 at 11:15:15 AM
 Fee Amt: \$5,926.00 Page 1 of 3
 Revenue Tax: \$5,900.00
 Workflow# 0000249456-0001
 Buncombe County, NC
 Drew ReIsinger Register of Deeds
 BK 5270 PG 263-265

NORTH CAROLINA SPECIAL WARRANTY DEED

Excise Tax \$5,900.00

Parcel Identifier No. 9648-28-5932; 9648-28-7804; 9648-28-6942; 9648-28-7709; 9648-28-5802; 9648-28-5708

Mail after recording to: McGuire, Wood & Bissette, P.A. (SSB), 48 Patton Ave., Asheville, NC 28801

This instrument was prepared by: Van Winkle, Buck, Wall, Starnes & Davis, P.A. (MAP)

Brief description for the index: 226 Hilliard Avenue, Asheville, NC 28801

THIS DEED made this 17th day of December, 2014, by and between:

GRANTOR	GRANTEE
HomeTrust Bank, N.A., formerly HomeTrust Bank	Duke Energy Progress, Inc., a North Carolina Corporation
10 Woodfin Street Asheville, NC 28801	c/o Land & Facilities Support Services ST30C, Charlotte, NC 28201-1007 Attn: Kristopher Vogel and Matthew Hooper

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that Grantor, for a valuable consideration paid by Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto Grantee in fee simple, all that certain lot or parcel of land situated in Buncombe County, North Carolina, and more particularly described as follows (the "Property"):

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.

This instrument prepared by: Mark A. Pinkston, a licensed North Carolina attorney. Delinquent taxes, if any, to be paid by the closing attorney, Susan S. Barbour, to the county tax collector upon disbursement of closing proceeds.

THIS PROPERTY DOES NOT INCLUDE THE GRANTOR'S PRINCIPAL RESIDENCE.

NO TITLE EXAMINATION WAS PERFORMED BY THE PREPARER OF THIS DEED.

The Property was acquired by Grantor by instrument recorded in Book 5200, Page 632.

TO HAVE AND TO HOLD the Property and all privileges and appurtenances thereto belonging to Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor has done nothing to impair such title as Grantor received, and Grantor will warrant and defend the title against the lawful claims of all persons claiming by, and under or through Grantor, except for the exceptions hereinafter stated.

Title to the Property is subject to the following exceptions:

Utilities physically located on the Property, ad valorem taxes for the current year and subsequent years, easements and restrictions of record, and any local, county, state, or federal laws, ordinances, or regulations relating to zoning, environment, subdivision, occupancy, use, construction, or development of the subject property, including existing violations of said laws, ordinances, or regulations.

IN WITNESS WHEREOF, Grantor has caused this instrument to be signed the day and year first above written.

HomeTrust Bank, N.A., formerly HomeTrust Bank

By: [Signature]

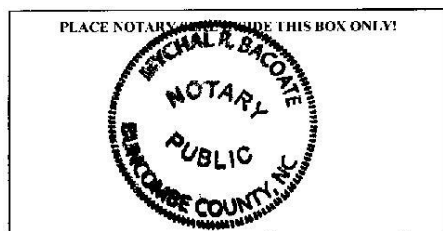
Name: L. Brent Allison

Its: Special Assets Manager / AVP

STATE OF North Carolina
COUNTY OF Buncombe

I certify that the following person personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose state therein and in the capacity indicated:
L. Brent Allison as Asst. Vice President of HomeTrust Bank, N.A., formerly HomeTrust Bank

Date: 5-4-2019



[Signature]
Notary Public
Michael R. Bacote
(Printed Name of Notary)
My Commission Expires: 5-4-2019

DMS:4827-9434-1665v1|2233-2233-1108|12/11/2014

Page 3 of 3

3

**EXHIBIT A
TO
NORTH CAROLINA SPECIAL WARRANTY DEED FROM HOMETRUST BANK, N.A., FORMERLY
HOMETRUST BANK TO DUKE ENERGY PROGRESS, INC.**

LEGAL DESCRIPTION

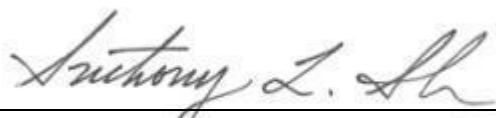
BEING all of that 1.791 acre parcel as shown on survey entitled "Boundary Survey of Property Owned by Home Trust Bank" by James Watkins, PLS for Alliance Land Surveying, P.C. recorded in **Plat Book 179, at Page 125** of the Buncombe County, NC Registry, reference to said plat being made for a more particular description of said 1.791 acre parcel.

BEING all of Tract 1, comprised of Parcels A, B, C and D as conveyed by Raintree Realty & Construction, Inc., Trustee to Home Trust Bank by deed recorded in Book 5200, at Page 632 of the Buncombe County, NC Registry.

CERTIFICATION OF THE APPRAISER

I, Anthony L. Alderman, certify that, to the best of my knowledge and belief,

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported Assumptions and Limiting Conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP), and with the requirements of the State of North Carolina for State Certified Appraisers.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. I have made a personal inspection of the property that is the subject of this report.
10. I appraised the subject of this appraisal in the three years prior to accepting this assignment.
11. No one provided significant real property appraisal assistance to the person signing this certification.



Anthony L. Alderman, MRICS

NC State Certified General Real Estate Appraiser #A7611

November 3, 2021

Date

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general *assumptions*:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any and all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy. It is assumed that information supplied by various individuals identified in the report is accurate. The appraisers assume no responsibility for independently verifying information received from these individuals. If the client has a question regarding this information, it is the client's responsibility to seek whatever independent verification is deemed necessary.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and appliances are in good working condition; and that all electrical components and the roofing are in good condition. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections. The appraisers do not have the skill or expertise needed to make such inspections. The appraisers assume no responsibility for these items.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

This appraisal report has been made with the following general *limiting conditions*:

1. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraisers, by reason of this appraisal, are not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.
5. We do not have the required expertise for determining the presence or absence of hazardous substances; defined as all hazardous or toxic materials, wastes, pollutants, contaminants (including, but not limited to, asbestos, PCB, UFFI, Radon, lead-based paints, or other raw materials, chemicals, or gases) used in construction, or otherwise present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such substances. We do not assume responsibility for loss as a result of the presence of such substances.
6. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

Qualifications of the Appraisers



Anthony L. Alderman, MRICS, SR/WA

333 2nd Street, NW
Hickory, NC 28601

Phone: (828) 358-1171

Fax: (888) 247-6896

E-Mail: aalderman@nxnwconsulting.com

Professional Experience:

- 2009 to present. General commercial appraisal market areas include central and western North Carolina. Convenience store appraisal market areas include all of NC, SC, VA, and TN. Commercial real estate consulting and appraisal. Provided commercial appraisal services, financial analyses, and highest and best use studies to commercial real estate owners, developers, and financial clients for a variety of property types. Assignments include convenience store appraisals, eminent domain projects, subdivision analysis, retail development, offices, restaurants, industrial properties, and analysis for land valuations.
- Recognized expert in the appraisal of convenience stores having appraised over 350 convenience stores in four states for over thirty lending institutions and c-store owners with appraised values exceeding \$281,000,000.

Selected Education & Relevant Course Work:

- Appalachian State University, Boone, NC - Master of Arts in English
- Appalachian State University, Boone, NC - Bachelor of Arts in English
- McKissock LP:
 - General Appraiser Market Analysis Highest and Best Use
 - Expert Witness for Commercial Appraisers
- BrightPath:
 - 7 Hour National USPAP Equivalent Course (2014/2016)
- Durrer Appraisal:
 - Supervisor/Trainee Appraiser Course and Report Writing in Compliance with USPAP
- International Right of Way Association:
 - Reviewing Appraisals for Eminent Domain
 - Right of Way Acquisition for Pipeline Projects
 - Easement Valuation
 - The valuation of Partial Acquisitions
 - Principles of Real Estate Law
 - Legal Aspects of Easements
 - Principles of Real Estate Appraisal
 - Ethics and the Right of Way Profession
- International Society of Business Appraisers:
 - Business Valuation Essentials (Level 1)
 - Business Valuation Essentials (Level 2)

State Certification/Licensure/Memberships:

- North Carolina Real Estate Appraisal Board, Raleigh, North Carolina, State Certified General Real Estate Appraiser, Certificate Number A7611
- South Carolina Real Estates Appraisals Board, Columbia, South Carolina, Certified General Appraiser, License Number 7071
- Tennessee Real Estate Appraiser Commission, Nashville, Tennessee, Certified General Real Estate Appraiser, License Number 5157
- Commonwealth of Virginia Board for Real Estate Appraisers, Richmond, Virginia, Real Estate Appraiser, License Number 4001017143
- Approved by NCDOT for contract appraisal assignments
- Approved by VDOT for contract appraisal assignments
- Approved by TDOT for contract appraisal assignments
- Member Royal Institute of Chartered Surveyors – designated MRICS, Chartered Valuation Surveyor
- Member Charlotte Regional Commercial Board of REALTORS.
- Treasurer of Chapter 31 International Right of Way Association (2015-17)
- Vice-President of Chapter 31 International Right of Way Association (2017-18)
- President of Chapter 31 International Right of Way Association (2018-19)
- Treasurer/Secretary Region 6 International Right of Way Association (2019-21)
- Catawba County Sworn Commissioner for Private Condemnation (2015, 2016)
- Engaged to testify as an expert witness in eminent domain litigation (Highway, Natural Gas, Convenience Stores)

Presentations and Publication:

- *Unique Appraisal Challenges in Asheville's River Arts District*, March 2020, IRWA Chapter 31 Winter Seminar, Durham, NC
- **Interviewee:** *"Business, Property Owners Feel the Weight of the Pandemic, Not Just Appraisers,"* June 2020, Appraiser News
- **Panelist:** *"Impact of COVID-19 on Real Estate Brokerage and Commercial Real Estate Valuation in SE United States,"* June 2020, RICS Webinar